

MINUTES OF THE  
JOINT HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE  
MONDAY, FEBRUARY 01, 2010, 2:00 P.M.  
Room 30, House Building, State Capitol Complex

Members Present: Sen. Allen M. Christensen, Co-Chair  
Rep. John Dougall, Co-Chair  
Sen. Patricia W. Jones  
Sen. Daniel R. Liljenquist  
Rep. Kraig Powell  
Rep. Rebecca Chavez-Houck  
Rep. Ben C. Ferry  
Rep. Paul Ray  
Rep. David Litvack  
Rep. Ronda Rudd Menlove

Members Excused: Sen. Margaret Dayton  
Rep. Keith Grover

Staff Present: Russell Frandsen, Fiscal Analyst  
Stephen Jardine, Fiscal Analyst  
Ernest Hayes, Secretary

Public Speakers Present: David N. Sundwall, Executive Director, Utah Department of Health  
Michael Hales, Director - Utah Medicaid, Utah Department of Health  
Sen. Luz Robles  
Ender Navarro, constituent of Sen. Robles  
Marc Babitz, Division Director, Utah Department of Health  
Adam Trupp, General Counsel, Utah Association of Counties  
Scott McBeth, Utah Area Agencies on Aging  
Scott Carver, Under Sheriff, Salt Lake County  
Dr. Juergan Korbanka, Wasatch Mental Health  
Bill Cox, Utah County Commissioner  
Steve White, Rich County Commissioner

A list of visitors and a copy of handouts are filed with the committee minutes.

**1. Call to Order**

The meeting was called to order by Co-Chair Rep. Dougall at 2:20 p.m.

**2. SB 44 Health Amendments for Legal Immigrant Children**

Sen. Robles gave a presentation on S.B. 44, Health Amendments for Legal Immigrant Children. Ender Navarro assisted in the presentation.

Dr. Charles Pruitt, a pediatric emergency physician in Salt Lake City, spoke in favor of S.B. 44.

Committee questions concerning S.B. 44 were addressed by Sen. Luz Robles.

### **3. Department of Health**

Russell Frandsen, fiscal analyst, directed the committee's attention to the handout entitled Department of Health. He reviewed the trends illustrated in the document. He noted that there was an increase in lapsing funds for FY 2011 due to a requirement of the federal stimulus package.

### **4. Epidemiology and Laboratory Services**

Mr. Frandsen referenced a four page document called epidemiology and laboratory services and presented the trends highlighted therein. He explained that this is the division responsible for the state's response to the H1N1 virus in conjunction with the state's twelve local health departments. The state did receive some federal funding to respond to the H1N1 virus. Additionally, this division managed various outbreaks in the state and attempts to prevent such outbreaks.

In response to a committee question on a difference in funding for operations and maintenance, Mr. Frandsen responded that the legislature calculated the difference at the time a new building was approved.

Mr. Frandsen provided the committee with a review of the accountability detail. In addition, intent language was approved by the Legislature and is included in the brief.

Committee questions regarding epidemiology and laboratory services were addressed by Mr. Frandsen.

### **5. Federal Funds**

Mr. Frandsen drew the committee's attention to the document entitled Federal Funds and the Department of Health. He summarized how much state funding is being used to draw down federal funds, and how much is being shared with locals statewide for funds received by the Department of Health. He noted that for FY 2010 the state is receiving approximately \$1.4 billion in federal funds and will receive \$1.3 billion for FY 2011. These funds do not include federal stimulus money and are used primarily to fund Medicaid. He stated that the subcommittee needs to consider whether or not to accept these funds and the analyst recommends that the committee direct the Department of Health to accept all funds for FY 2010 and FY 2011.

### **6. Intent Language Follow-up from Prior Year**

Mr. Frandsen gave an overview of the follow-up on all the pieces of intent language passed in connection with the Department of Health. He stated that there were ten items in total.

### **7. Health Department Fees**

Co-Chair Christensen stated that this item will be discussed in a later meeting.

### **8. Executive Director's Operations**

Mr. Frandsen reviewed the handout entitled Executive Director's Operations and stated that this represents the administration for the Department of Health. The base budget recommendation for FY 2011 is \$26 million. He noted various recommendations incident to an audit performed in FY 2009. He also gave the

committee a brief snapshot of other restricted funds in this budget area.

#### **9. Health Systems Improvement**

Mr. Frandsen began a presentation on Health Systems Improvement by stating that the base budget is \$15 million for this budget item. The Legislature recently appropriated funds in this area and Mr. Frandsen covered those while referring to the accountability detail. He also went over information regarding how Utah ranks in healthcare delivery among other states.

Committee questions on health systems improvement were addressed by Mr. Frandsen and Dr. Marc Babitz, Division Director with the Utah Department of Health.

#### **10. Workforce Financial Assistance**

Mr. Frandsen gave an overview of workforce financial assistance while directing the committee's attention to the binder handout. He reviewed the number of grants given in this area. Grants in this area are a loan repayment program meant to encourage medical professionals in certain categories to serve in under-served areas. Under-served areas can be a physical service area or a type of profession. Sen. Jones asked a question about the program.

#### **11. Community and Family Health Services**

Referring to the community and family health services document, Mr. Frandsen stated that the recommended FY 2011 budget is \$114 million. He reviewed the items in the document for the committee and stated that there are two restricted accounts in this area: 1) the tobacco settlement account, and 2) the cigarette tax restricted account. Mr. Frandsen also went over some statistics on health in the state and spoke about the baby watch early intervention program which is a state program that serves children up to age three with developmental disabilities.

#### **12. Local Health Departments**

In the state of Utah there are twelve local health departments. Mr. Frandsen provided the committee with an overview of local health department figures while referring to the binder document entitled local health departments.

#### **13. Issue briefs with consolidated information for both Departments of Health and Human Services:**

##### **Nonlapsing Balances**

Mr. Frandsen provided the committee with a review of nonlapsing balances. Quoting from statute 63 J1-602, Mr. Frandsen stated that each legislative appropriations committee shall review the amounts and funds that have been granted non-lapsing authority and recognized this statute as the reason for this report. Nonlapsing funds authority comes expressly from statute or is designated as a condition in an appropriations bill. He referred to a table that indicates the areas in which nonlapsing funds are found.

Stephen Jardine, fiscal analyst, added that the briefs have different ways of showing information about the departments and reviewed some information from the document.

Committee questions regarding nonlapsing funds were addressed by Mr. Jardine.

### **Social Services related revenue options**

Referring to the next item in the binder, Mr. Frandsen drew the committee's attention to the table on page one and stated that the intention of the social services brief is to explain some of the items that are on the optional reductions and/or the base recommendations as far as funding sources that are available within the committee to provide ongoing and/or one time funding sources that could be used to support or replace general fund expenditures in other areas. He noted that the ongoing portion of these funds represent \$18 million.

Mr. Jardine redirected the committee's attention to page one and clarified that the first four items listed are not trust funds but actually restricted accounts within the general fund.

A committee question related to the domestic violence service account was addressed by Mr. Jardine who explained fees on fines and the appropriation source for the account.

### **14. Division of Substance Abuse and Mental Health**

Mr. Jardine provided the committee with a review of the budget brief on the Division of Substance Abuse and Mental Health. This division is the state public mental health and substance abuse authority. It also provides oversight for drug courts, drug boards and the drug offender reform act. It also oversees eleven local mental health and thirteen substance abuse authorities. With regards to mental health, Mr. Jardine also stated that each county is the local authority and that sometimes counties group together to provide coordinated treatment.

The department requests for the division that the committee backfill and restore one time 2,725,300 mental health treatment services for FY 2011. Last session this area was reduced by \$4.5 million. The department also requests a one time backfill restoration of \$881,600 substance abuse services for FY 2011. Additionally, Mr. Jardine noted that the division also requests that three pieces of intent language for nonlapsing carry over authority be authorized.

Mr. Jardine answered committee questions regarding this division.

### **15. Division of Aging and Adult Services**

Mr. Jardine provided the committee with an overview of the Division of Aging and Adult Services. The Division of Aging is the designated state agency authorized to coordinate all state activities related to the *Federal Older Americans Act of 1965*. Mr. Jardine stated that the division is requesting a restoration of the nursing home alternatives program for a \$500,000 one time backfill replacement.

In response to Sen. Jones' question on the Alternatives program, Mr. Jardine responded that the cost difference for providing institutionalized care for the elderly as opposed to the nursing home alternative is around five times as much.

Other committee questions on the Division of Aging were addressed by Mr. Jardine.

Mr. Frandsen responded to Rep. Menlove's question about caseloads done by the state laboratory.

Chair Christensen placed the committee in recess.

### **16. Utah Association of Counties**

Adam Trupp, General Counsel with the Utah Association of Counties, spoke about some of the programs delivered by counties. He provided the committee with a summary document containing several important points. He stated that his organization has not seen a downturn in service delivery and attributed that fact to backfill money from the state legislature and increases in federal funding.

Scott McBeth representing the Utah Area Agencies on Aging gave the committee a brief review of efforts being done by his and related organizations with respect to caring for the aged. He stated that future cuts will have serious consequences on the delivery of services. Mr. McBeth illustrated his concerns and reviewed potential scenarios.

Mr. McBeth addressed the committee's questions related to senior services.

Scott Carver, Under Sheriff with Salt Lake County, spoke about various programs and the coordinated criminal justice effort in Salt Lake County. He emphasized his efforts in finding economies and efficiency in county government in working on common goals.

Dr. Korbanka from Wasatch Mental Health provided the committee with a snapshot of the innovations in treatments that are being implemented in his area. The programs he spoke about are funded not through Medicaid but rather by state and local funds.

Steve White, Commissioner for Utah County, gave a presentation on what has happened locally and suggested some ways to move forward with respect to the current budget reductions. He requested that the committee give local authorities as much flexibility as possible.

Bill Cox, Commissioner for Rich County, provided the committee with some local follow up as well. He stated that budget cuts do affect delivery of service.

#### **17. Department of Health Recommended Changes for FY 2010 Budget**

Dr. David Sundwall, Executive Director of the Utah Department of Health, reviewed minor modifications in recommendations for the FY 2010 budget.

Michael Hales, Deputy Director with the Utah Department of Health, went over dollar amounts for recommended changes in the FY 2010 budget. He noted that some of the department's goals in Medicaid in terms of oversight and implementing better performance measurements is to move away from a compliance oriented approach and reduce fraud and abuse. He also stated that certain reductions would hamper the department's ability to implement changes in those areas.

**MOTION:** Rep. Dougall moved to adopt the changes recommended by the department of health and offset that amount with the Medicaid restricted account.

The motion passed unanimously with Sen. Dayton, Sen. Liljenquist, Rep. Ferry, Rep. Grover, Rep. Powell, and Rep. Ray absent from the vote.

**MOTION:** Rep. Litvack moved to adjourn.

Co-Chair Christensen adjourned the meeting at 5:00 p.m.

Minutes recorded by Ernest Hayes, Secretary

---

Sen. Allen Christensen, Committee Co-Chair

---

Rep. John Dougall, Committee Co-Chair